

By: Thompson

H.B. No. 601

A BILL TO BE ENTITLED

AN ACT

relating to the administration of a retirement system for officers and employees of certain municipalities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections 2(c) and (j), Chapter 88, Acts of the 77th Legislature, Regular Session, 2001 (Article 6243h, Vernon's Texas Civil Statutes), are amended to read as follows:

(c) The pension board consists of nine [~~11~~] trustees as follows:

(1) the mayor of the city, or the director of the civil service commission as the mayor's representative;

(2) the city treasurer or a person performing the duties of treasurer;

(3) four municipal employees of the city who are members of the pension system;

(4) two retirees, each of whom:

(A) has at least five years of credited service in the pension system;

(B) receives a retirement pension from the pension system; and

(C) is not an officer or employee of the city; and

(5) one person who [~~three persons, each of whom~~]:

(A) [~~is a registered voter in the city,~~

1 [~~(B)~~] has been a resident of this state [~~the~~
2 ~~city~~] for the three years preceding the date of initial
3 appointment; and

4 (B) [~~(C)~~] is not a city officer or employee.

5 (j) To serve as a trustee under Subsection (c)(5) of this
6 section, the [~~a~~] person must be appointed by a vote of a majority of
7 the elected trustees of the pension board [~~the governing body of the~~
8 ~~city~~]. The [~~Each~~] trustee appointed under Subsection (c)(5) of
9 this section serves a two-year term. The appointment or
10 reappointment of [~~both~~] the appointed trustee [~~trustees~~] shall take
11 place in January of each even-numbered year. The appointed trustee
12 may be removed at any time by a vote of a majority of the elected
13 trustees of the pension board. A vacancy caused by the [~~an~~]
14 appointed trustee's death, resignation, or removal shall be filled
15 by the elected trustees of the pension board [~~governing body of the~~
16 ~~city~~]. The appointee serves for the remainder of the unexpired term
17 of the replaced trustee. An appointed trustee may not serve beyond
18 the expiration of the two-year term other than by appointment for a
19 new term by the elected trustees of the pension board [~~governing~~
20 ~~body of the city~~].

21 SECTION 2. Section 3, Chapter 88, Acts of the 77th
22 Legislature, Regular Session, 2001 (Article 6243h, Vernon's Texas
23 Civil Statutes), is amended by adding Subsection (n) to read as
24 follows:

25 (n) Notwithstanding any other law, the pension board may
26 enter into a written agreement with the city regarding pension
27 issues and benefits. The agreement must be approved by the pension

1 board and signed by the mayor and by the pension board or the
2 pension board's designee. The agreement is enforceable against and
3 binding on the city and the pension system's members, retirees,
4 deferred participants, beneficiaries, eligible survivors, and
5 alternate payees. The agreement may not alter the composition of
6 the pension board, reduce the amount of an earned benefit under this
7 article, reduce the benefit accrual rates or maximum allowable
8 pension under Section 10 of this article, or lengthen the schedule
9 for retirement eligibility under Section 10(b) of this article.

10 SECTION 3. The heading to Section 15, Chapter 88, Acts of
11 the 77th Legislature, Regular Session, 2001 (Article 6243h,
12 Vernon's Texas Civil Statutes), is amended to read as follows:

13 Sec. 15. [~~ANNUITY~~] INCREASE IN BENEFITS.

14 SECTION 4. Section 15, Chapter 88, Acts of the 77th
15 Legislature, Regular Session, 2001 (Article 6243h, Vernon's Texas
16 Civil Statutes), is amended by adding Subsection (d) to read as
17 follows:

18 (d) A pension benefit or allowance provided by this article
19 may be increased if:

20 (1) a qualified actuary selected by the pension board
21 determines that the increase cannot reasonably be considered to
22 jeopardize the pension system's ability to pay any existing
23 benefit;

24 (2) the increase is approved by the pension board and
25 the city in a written agreement as provided by Section 3(n) of this
26 article; and

27 (3) the increase does not deprive a member or retiree,

1 without the written consent of the member or retiree, from
2 receiving the immediate or deferred retirement benefit that the
3 member or retiree was eligible to receive under this article before
4 the increase.

5 SECTION 5. The terms of the appointed trustees serving
6 under Section 2(c)(5), Chapter 88, Acts of the 77th Legislature,
7 Regular Session, 2001 (Article 6243h, Vernon's Texas Civil
8 Statutes), on the effective date of this Act expire on that date.
9 Not later than October 1, 2003, a pension board shall appoint or
10 reappoint a trustee to reflect the changes made by this Act to
11 Section 2, Chapter 88, Acts of the 77th Legislature, Regular
12 Session, 2001 (Article 6243h, Vernon's Texas Civil Statutes), for a
13 term expiring in January 2004, as provided by Section 2(j), Chapter
14 88, Acts of the 77th Legislature, Regular Session, 2001 (Article
15 6243h, Vernon's Texas Civil Statutes), as amended by this Act.

16 SECTION 6. This Act takes effect immediately if it receives
17 a vote of two-thirds of all the members elected to each house, as
18 provided by Section 39, Article III, Texas Constitution. If this
19 Act does not receive the vote necessary for immediate effect, this
20 Act takes effect September 1, 2003.